

Assembly Bill No. 907

Passed the Assembly June 16, 1999

Chief Clerk of the Assembly

Passed the Senate June 15, 1999

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 1999, at _____ o'clock ____M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Sections 2550, 2561, 2562, 2563, 2566, and 14054 of, to amend and repeal Section 2551 of, and to add Section 2567 to, the Education Code, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 907, Alquist. School finance: equalization adjustments.

Existing law requires the Superintendent of Public Instruction to make certain computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools and to determine each county superintendent's revenue limit for county superintendent responsibilities and direct services. Existing law sets forth a method for equalizing the revenue limits for county offices of education for the 1995–96 fiscal year. Existing law defines the term “general purpose revenues” for the purposes of this method.

This bill would make inoperative, as of July 1, 1999, and repeal, as of January 1, 2000, the existing formulas for determining each county superintendent's revenue limit for county superintendent responsibilities and services. The bill would delete the term “general purpose revenues” and replace it with the term “core revenues.” The bill would require the Superintendent of Public Instruction to apportion equalization funding for the 1999–2000 fiscal year to certain county offices of education in prescribed amounts. The bill would make various conforming changes to existing provisions of law, including changes to the computations to be made by the Superintendent of Public Instruction to determine the amounts to be allocated for direct and other services provided by county superintendents of schools.



This bill would declare that it would take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature that, within three fiscal years of the enactment of the act adding this section, financing will be provided in the annual Budget Act or other item of appropriation to fund the full amount set forth in subdivision (a) of Section 2567 of the Education Code.

SEC. 2. Section 2550 of the Education Code is amended to read:

2550. For each fiscal year, the Superintendent of Public Instruction shall make the following computations to determine the amount to be allocated for direct services and other purposes provided by county superintendents of schools:

(a) For programs operated pursuant to subdivision (a) of Section 14054, the Superintendent of Public Instruction shall:

(1) Determine the allowances that county superintendents received per unit of average daily attendance in the prior fiscal year. The Superintendent of Public Instruction shall increase each amount by a percentage equal to the inflation allowance calculated for the current fiscal year pursuant to Section 2557.

(2) Multiply each amount determined in paragraph (1) by the actual number of units of average daily attendance in the prior fiscal year for programs maintained by each county superintendent. For purposes of this paragraph, the number of units of average daily attendance shall include only units generated by elementary districts with less than 901 units of average daily attendance, high school districts with less than 301 units of average daily attendance, and unified school districts with less than 1,501 units of average daily attendance within each county superintendent's jurisdiction.



(b) For programs operated pursuant to subdivision (b) of Section 14054, the Superintendent of Public Instruction shall:

(1) Determine the rate calculated for each county office of education pursuant to subdivision (b) of Section 2567 and increase each rate by a percentage equal to the inflation allowance calculated in Section 2557.

(2) Multiply each amount determined in paragraph (1) by the estimated units of average daily attendance in the current fiscal year for programs for kindergarten and grades 1 to 12, inclusive, maintained by each county superintendent. For the purposes of this paragraph, the estimate shall include only the total units of average daily attendance credited to all elementary, high school, and unified school districts within each county superintendent's jurisdiction and to the county superintendent.

SEC. 3. Section 2551 of the Education Code is amended to read:

2551. The Superintendent of Public Instruction shall perform the computations prescribed in this section to determine each county superintendent's revenue limit for county superintendent responsibilities and district services:

(a) For the 1981–82 fiscal year, the superintendent shall add to the revenue limit amount computed pursuant to subdivision (a) of Section 2551 for the 1980–81 fiscal year, the revenue limit amount computed pursuant to Section 2552 for the 1980–81 fiscal year reduced by 55.9 percent. This adjusted revenue limit shall then be increased by the inflation allowance calculated in subdivision (a) of Section 2557.

(b) For the 1981–82 fiscal year and for each fiscal year thereafter, the Superintendent of Public Instruction shall increase the amount calculated in subdivision (a) by the amounts computed according to Sections 2507.5 and 2510.

(c) The total amounts for each program calculated pursuant to subdivision (a) may be used for any of the services or programs specified in this section, or Section 2552 as it read prior to the enactment of this act.



(d) This section shall become inoperative on July 1, 1999, and as of January 1, 2000, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2000, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. Section 2561 of the Education Code is amended to read:

2561. For purposes of this article, the following definitions shall apply:

(a) "Countywide ADA" means the aggregate number of annual units of regular average daily attendance for the fiscal year in all school districts within the county.

(b) "Services ADA" means the countywide ADA plus 12.5 percent of the number of full-time equivalent students in community college districts within the county for which the county office of education provides fiscal and other services.

(c) "Core revenues" means the sum of the following amounts received by the county office of education in the fiscal year:

(1) Apportionments received for purposes of subdivision (b) of Section 2550 and for purposes of county superintendent office operations and capital outlay.

(2) Any financial support provided to the county office of education from the general fund of the county, including, but not limited to, salary and benefits expenditures for county office of education staff paid for by the county, other expenditures to support the operations of the county office of education paid for the county, revenues transferred from the county general fund to the county office of education, and any other direct or indirect support provided to the county office of education by the county general fund. As a condition of receipt of funds pursuant to this article, the county superintendent of schools shall certify the amount of this financial support from the county general fund to the Superintendent of Public Instruction in a manner determined by the Superintendent of Public Instruction.

SEC. 5. Section 2562 of the Education Code is amended to read:



2562. For purposes of Section 2563, the following classes of counties shall apply:

(a) Class 1: Counties with 1994–95 countywide ADA of more than 500,000.

(b) Class 2: Counties with 1994–95 countywide ADA of at least 180,000 but less than 500,000.

(c) Class 3: Counties with 1994–95 countywide ADA of at least 60,000 but less than 180,000.

(d) Class 4: Counties with 1994–95 countywide ADA of at least 30,000 but less than 60,000.

(e) Class 5: Counties with 1994–95 countywide ADA of at least 14,000 but less than 30,000.

(f) Class 6: Counties with 1994–95 countywide ADA of at least 7,000 but less than 14,000.

(g) Class 7: Counties with 1994–95 countywide ADA of less than 7,000.

SEC. 6. Section 2563 of the Education Code is amended to read:

2563. The Superintendent of Public Instruction shall make the following calculations for the 1995–96 fiscal year:

(a) For each county office of education, divide its 1994–95 core revenues by its 1994–95 services ADA.

(b) For each class of counties, except class 1 counties, divide the sum of the 1994–95 core revenues for all of the county offices of education in that class by the sum of the services ADA for all of the counties in that class, and multiply that quotient by 0.88. For class 1 counties, the amount shall be eighteen dollars and 98 cents (\$18.98).

(c) For each county office of education, subtract the amount determined pursuant to subdivision (a) from the amount determined pursuant to subdivision (b) of the class of counties of which it is a member. If this difference is less than zero, it shall be deemed to be zero.

(d) For each county office of education, multiply the amount determined pursuant to subdivision (c) by its 1994–95 services ADA.

(e) Divide five million dollars (\$5,000,000) by the statewide sum of the amounts determined pursuant to subdivision (d) and, for each county office of education,



multiply that quotient by the amount determined for it pursuant to subdivision (d).

SEC. 7. Section 2566 of the Education Code is amended to read:

2566. (a) The total amount apportioned for the 1995–96 fiscal year pursuant to this article shall not exceed five million dollars (\$5,000,000).

(b) This article shall only become operative if the Director of Finance certifies that a settlement agreement in California Teachers Association v. Gould (Sacramento County Superior Court Case CV 373415) is effective. No funds shall be disbursed under this article before August 1, 1996.

(c) For the purpose of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by this paragraph for the 1995–96 fiscal year shall be deemed to be “General Fund revenues appropriated to school districts,” as defined in subdivision (c) of Section 41202 for the 1995–96 fiscal year and be included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 for that fiscal year.

SEC. 8. Section 2567 is added to the Education Code, to read:

2567. (a) The Superintendent of Public Instruction shall apportion equalization funding for the 1999–2000 fiscal year to the following county offices of education, adjusted for the deficit factor pursuant to Section 2558.45, pursuant to the following schedule:

| | |
|--------------------|-----------|
| Alameda | \$655,915 |
| Butte | 122,621 |
| Calaveras | 113,407 |
| Colusa | 111,661 |
| Contra Costa | 1,635,257 |
| El Dorado | 134,690 |
| Fresno | 2,524,656 |
| Glenn | 39,294 |



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|----------------------|--------------|
| Humboldt | 144,123 |
| Imperial | 613,130 |
| Kern | 133,470 |
| Kings | 306,758 |
| Lassen | 55,479 |
| Los Angeles | 6,805,186 |
| Madera | 284,994 |
| Merced | 303,003 |
| Nevada | 159,019 |
| Orange | 1,632,568 |
| Placer | 2,771 |
| Sacramento | 2,293,851 |
| San Benito | 129,193 |
| San Bernardino | 2,346,446 |
| San Joaquin | 1,317,689 |
| Shasta | 214,714 |
| Solano | 1,087,058 |
| Stanislaus | 1,265,200 |
| Sutter | 305,535 |
| Tehama | 135,315 |
| Trinity | 17,483 |
| Tulare | 1,609,231 |
| Tuolumne | 94,236 |
| Ventura | 343,369 |
| Yolo | 144,922 |
| Yuba | 138,497 |
| | \$27,220,744 |

(b) (1) For purposes of paragraph (1) of subdivision (b) of Section 2550, the Superintendent of Public Instruction shall divide the amount of equalization aid received by each county office of education pursuant to subdivision (a) by its 1998–99 countywide ADA and add the resulting quotient to the 1998–99 core revenue rate per unit of average daily attendance. For purposes of this calculation, the core revenue rate per unit of average daily attendance is determined by dividing the apportionments set forth in paragraph (1) of subdivision (c) of Section 2561 by the 1998–99 countywide ADA.



(2) For purposes of paragraph (1) of subdivision (b) of Section 2550, for county offices of education not listed in subdivision (a), the 1998–99 core revenue rate per unit of average daily attendance is determined by dividing the apportionments set forth in paragraph (1) of subdivision (c) of Section 2561 by the 1998–99 countywide ADA.

(c) If, in the 1999–2000 fiscal year, insufficient funding is appropriated to fully fund the schedule set forth in subdivision (a), the Superintendent of Public Instruction shall allocate the appropriated funds to county offices of education in proportion to the scheduled amounts. If funds are appropriated in fiscal years subsequent to the 1999–2000 fiscal year for purposes of funding the amounts remaining to fully fund each county office of education in the amounts listed in subdivision (a) and the amounts appropriated in those fiscal years are insufficient to fully fund the amounts remaining, the Superintendent of Public Instruction shall in each subsequent fiscal year allocate the appropriated funds in proportion to the scheduled amounts until the county offices of education receive the full amounts listed in the schedule set forth in subdivision (a).

SEC. 9. Section 14054 of the Education Code is amended to read:

14054. The Superintendent of Public Instruction shall, during each fiscal year, allocate to the county school service fund of each county from the State School Fund an amount that the budget submitted by the county superintendent of schools and approved by the Superintendent of Public Instruction, under Section 14050, shows is necessary, but:

(a) The total amount allocated by the Superintendent of Public Instruction under this section to all county school service funds for supervision of instruction and health, attendance, and guidance services pursuant to Article 4 (commencing with Section 1730) of, Article 5 (commencing with Section 1740) of, Article 6 (commencing with Section 1750) of, and Article 7 (commencing with Section 1760) of, Chapter 6 of Part 2, for pupils in elementary school districts which, during the



next preceding fiscal year, had less than 901 units of average daily attendance, in high school districts which, during the preceding year, had less than 301 units of average daily attendance, and in unified school districts, which during the next preceding fiscal year, had less than 1,501 units of average daily attendance, shall not exceed the sum provided by law for this purpose or the amounts shown necessary by those budgets, for that purpose, whichever is the lesser.

(b) The total amount allocated by the Superintendent of Public Instruction under this section to all county school service funds for all core revenues shall not exceed the sum provided by law for those purposes or the amounts shown necessary by those budgets, whichever is the lesser.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Budget Act of 1999 with respect to public schools and community colleges, it is necessary that this act take effect immediately.



Approved _____, 1999

Governor

